
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-3211.2/14 2nd draft

ATTY/TYPIST: BP:lel

BRIEF DESCRIPTION: Concerning transportation revenue.

1 AN ACT Relating to transportation revenue; amending RCW 82.36.025,
2 82.38.030, 46.68.090, 46.68.090, 46.09.520, 46.10.530, 79A.25.070,
3 46.68.320, 46.68.325, 46.17.355, 46.17.365, 46.17.323, 36.73.015,
4 36.73.020, 36.73.065, 82.80.055, 82.14.045, 82.80.140, and 81.77.170;
5 reenacting and amending RCW 43.84.092, 43.84.092, and 46.09.520; adding
6 new sections to chapter 46.68 RCW; adding a new section to chapter
7 82.80 RCW; adding a new section to chapter 47.29 RCW; creating a new
8 section; repealing RCW 82.36.029 and 82.38.083; repealing 2013 c 225 s
9 103 (uncodified); providing contingent effective dates; providing
10 expiration dates; and providing contingent expiration dates.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

12 **MOTOR VEHICLE AND SPECIAL FUEL TAXES**

13 **Sec. 101.** RCW 82.36.025 and 2007 c 515 s 3 are each amended to
14 read as follows:

15 (1) A motor vehicle fuel tax rate of twenty-three cents per gallon
16 on motor vehicle fuel shall be imposed on motor vehicle fuel licensees,
17 other than motor vehicle fuel distributors.

1 (2) Beginning July 1, 2003, an additional and cumulative motor
2 vehicle fuel tax rate of five cents per gallon on motor vehicle fuel
3 shall be imposed on motor vehicle fuel licensees, other than motor
4 vehicle fuel distributors. This subsection (2) expires when the bonds
5 issued for transportation 2003 projects are retired.

6 (3) Beginning July 1, 2005, an additional and cumulative motor
7 vehicle fuel tax rate of three cents per gallon on motor vehicle fuel
8 shall be imposed on motor vehicle fuel licensees, other than motor
9 vehicle fuel distributors.

10 (4) Beginning July 1, 2006, an additional and cumulative motor
11 vehicle fuel tax rate of three cents per gallon on motor vehicle fuel
12 shall be imposed on motor vehicle fuel licensees, other than motor
13 vehicle fuel distributors.

14 (5) Beginning July 1, 2007, an additional and cumulative motor
15 vehicle fuel tax rate of two cents per gallon on motor vehicle fuel
16 shall be imposed on motor vehicle fuel licensees, other than motor
17 vehicle fuel distributors.

18 (6) Beginning July 1, 2008, an additional and cumulative motor
19 vehicle fuel tax rate of one and one-half cents per gallon on motor
20 vehicle fuel shall be imposed on motor vehicle fuel licensees, other
21 than motor vehicle fuel distributors.

22 (7) Beginning July 1, 2014, an additional and cumulative motor
23 vehicle fuel tax rate of four cents per gallon on motor vehicle fuel
24 shall be imposed on motor vehicle fuel licensees, other than motor
25 vehicle fuel distributors.

26 **Sec. 102.** RCW 82.38.030 and 2007 c 515 s 21 are each amended to
27 read as follows:

28 (1) Before July 1, 2015:

29 (a) There is hereby levied and imposed upon special fuel licensees,
30 other than special fuel distributors, a tax at the rate of twenty-three
31 cents per gallon of special fuel, or each one hundred cubic feet of
32 compressed natural gas, measured at standard pressure and temperature.

33 ~~((+2+))~~ (b) Beginning July 1, 2003, an additional and cumulative
34 tax rate of five cents per gallon of special fuel, or each one hundred
35 cubic feet of compressed natural gas, measured at standard pressure and
36 temperature shall be imposed on special fuel licensees, other than

special fuel distributors. This subsection ~~((+2+))~~ (1)(b) expires when the bonds issued for transportation 2003 projects are retired.

~~((+3+))~~ (c) Beginning July 1, 2005, an additional and cumulative tax rate of three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

~~((+4+))~~ (d) Beginning July 1, 2006, an additional and cumulative tax rate of three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

~~((+5+))~~ (e) Beginning July 1, 2007, an additional and cumulative tax rate of two cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

~~((+6+))~~ (f) Beginning July 1, 2008, an additional and cumulative tax rate of one and one-half cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

~~((+7+))~~ (g) Beginning July 1, 2014, an additional and cumulative tax rate of four cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

(h) Beginning July 1, 2015, an additional and cumulative tax rate of four cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

(i) Beginning July 1, 2016, an additional and cumulative motor vehicle fuel tax rate of three and one-half cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

(j) Taxes are imposed when:

1 ~~((a))~~ (i) Special fuel is removed in this state from a terminal
2 if the special fuel is removed at the rack unless the removal is to a
3 licensed exporter for direct delivery to a destination outside of the
4 state, or the removal is by a special fuel supplier for direct delivery
5 to an international fuel tax agreement licensee under RCW 82.38.320;

6 ~~((b))~~ (ii) Special fuel is removed in this state from a refinery
7 if either of the following applies:

8 ~~((i))~~ (A) The removal is by bulk transfer and the refiner or the
9 owner of the special fuel immediately before the removal is not a
10 licensee; or

11 ~~((ii))~~ (B) The removal is at the refinery rack unless the removal
12 is to a licensed exporter for direct delivery to a destination outside
13 of the state, or the removal is to a special fuel supplier for direct
14 delivery to an international fuel tax agreement licensee under RCW
15 82.38.320;

16 ~~((c))~~ (iii) Special fuel enters into this state for sale,
17 consumption, use, or storage, unless the fuel enters this state for
18 direct delivery to an international fuel tax agreement licensee under
19 RCW 82.38.320, if either of the following applies:

20 ~~((i))~~ (A) The entry is by bulk transfer and the importer is not
21 a licensee; or

22 ~~((ii))~~ (B) The entry is not by bulk transfer;

23 ~~((d))~~ (iv) Special fuel is sold or removed in this state to an
24 unlicensed entity unless there was a prior taxable removal, entry, or
25 sale of the special fuel;

26 ~~((e))~~ (v) Blended special fuel is removed or sold in this state
27 by the blender of the fuel. The number of gallons of blended special
28 fuel subject to tax is the difference between the total number of
29 gallons of blended special fuel removed or sold and the number of
30 gallons of previously taxed special fuel used to produce the blended
31 special fuel;

32 ~~((f))~~ (vi) Dyed special fuel is used on a highway, as authorized
33 by the internal revenue code, unless the use is exempt from the special
34 fuel tax;

35 ~~((g))~~ (vii) Dyed special fuel is held for sale, sold, used, or is
36 intended to be used in violation of this chapter;

37 ~~((h))~~ (viii) Special fuel purchased by an international fuel tax
38 agreement licensee under RCW 82.38.320 is used on a highway; and

1 ~~((+i))~~ (ix) Special fuel is sold by a licensed special fuel
2 supplier to a special fuel distributor, special fuel importer, or
3 special fuel blender and the special fuel is not removed from the bulk
4 transfer-terminal system.

5 (2) Beginning July 1, 2015:

6 (a) There is levied and imposed upon fuel licensees a tax at the
7 rate of twenty-three cents per gallon of fuel, or each one hundred
8 cubic feet of compressed natural gas, measured at standard pressure and
9 temperature.

10 (b) Beginning July 1, 2003, an additional and cumulative tax rate
11 of five cents per gallon of fuel, or each one hundred cubic feet of
12 compressed natural gas, measured at standard pressure and temperature
13 is imposed on fuel licensees. This subsection (2)(b) expires when the
14 bonds issued for transportation 2003 projects are retired.

15 (c) Beginning July 1, 2005, an additional and cumulative tax rate
16 of three cents per gallon of fuel, or each one hundred cubic feet of
17 compressed natural gas, measured at standard pressure and temperature
18 is imposed on fuel licensees.

19 (d) Beginning July 1, 2006, an additional and cumulative tax rate
20 of three cents per gallon of fuel, or each one hundred cubic feet of
21 compressed natural gas, measured at standard pressure and temperature
22 is imposed on fuel licensees.

23 (e) Beginning July 1, 2007, an additional and cumulative tax rate
24 of two cents per gallon of fuel, or each one hundred cubic feet of
25 compressed natural gas, measured at standard pressure and temperature
26 is imposed on fuel licensees.

27 (f) Beginning July 1, 2008, an additional and cumulative tax rate
28 of one and one-half cents per gallon of fuel, or each one hundred cubic
29 feet of compressed natural gas, measured at standard pressure and
30 temperature is imposed on fuel licensees.

31 (g) Beginning July 1, 2014, an additional and cumulative tax rate
32 of four cents per gallon of fuel, or each one hundred cubic feet of
33 compressed natural gas, measured at standard pressure and temperature
34 is imposed on fuel licensees.

35 (h) Beginning July 1, 2015, an additional and cumulative tax rate
36 of four cents per gallon of fuel, or each one hundred cubic feet of
37 compressed natural gas, measured at standard pressure and temperature
38 is imposed on fuel licensees.

1 (i) Beginning July 1, 2016, an additional and cumulative motor
2 vehicle fuel tax rate of three and one-half cents per gallon of fuel,
3 or each one hundred cubic feet of compressed natural gas, measured at
4 standard pressure and temperature is imposed on fuel licensees.

5 (j) Taxes are imposed when:

6 (i) Fuel is removed in this state from a terminal if the fuel is
7 removed at the rack unless the removal is by a licensed supplier or
8 distributor for direct delivery to a destination outside of the state,
9 or the removal is by a fuel supplier for direct delivery to an
10 international fuel tax agreement licensee under RCW 82.38.320;

11 (ii) Fuel is removed in this state from a refinery if either of the
12 following applies:

13 (A) The removal is by bulk transfer and the refiner or the owner of
14 the fuel immediately before the removal is not a licensed supplier; or

15 (B) The removal is at the refinery rack unless the removal is to a
16 licensed supplier or distributor for direct delivery to a destination
17 outside of the state, or the removal is to a licensed supplier for
18 direct delivery to an international fuel tax agreement licensee under
19 RCW 82.38.320;

20 (iii) Fuel enters into this state for sale, consumption, use, or
21 storage, unless the fuel enters this state for direct delivery to an
22 international fuel tax agreement licensee under RCW 82.38.320, if
23 either of the following applies:

24 (A) The entry is by bulk transfer and the importer is not a
25 licensed supplier; or

26 (B) The entry is not by bulk transfer;

27 (iv) Fuel enters this state by means outside the bulk transfer-
28 terminal system and is delivered directly to a licensed terminal unless
29 the owner is a licensed distributor or supplier;

30 (v) Fuel is sold or removed in this state to an unlicensed entity
31 unless there was a prior taxable removal, entry, or sale of the fuel;

32 (vi) Blended fuel is removed or sold in this state by the blender
33 of the fuel. The number of gallons of blended fuel subject to tax is
34 the difference between the total number of gallons of blended fuel
35 removed or sold and the number of gallons of previously taxed fuel used
36 to produce the blended fuel;

37 (vii) Dyed special fuel is used on a highway, as authorized by the
38 internal revenue code, unless the use is exempt from the fuel tax;

1 (viii) Dyed special fuel is held for sale, sold, used, or is
2 intended to be used in violation of this chapter;

3 (ix) Special fuel purchased by an international fuel tax agreement
4 licensee under RCW 82.38.320 is used on a highway; and

5 (x) Fuel is sold by a licensed fuel supplier to a fuel distributor
6 or fuel blender and the fuel is not removed from the bulk transfer-
7 terminal system.

8 NEW SECTION. **Sec. 103.** 2013 c 225 s 103 (uncodified) is repealed.

9 **Sec. 104.** RCW 46.68.090 and 2011 c 120 s 4 are each amended to
10 read as follows:

11 (1) All moneys that have accrued or may accrue to the motor vehicle
12 fund from the motor vehicle fuel tax and special fuel tax shall be
13 first expended for purposes enumerated in (a) and (b) of this
14 subsection. The remaining net tax amount shall be distributed monthly
15 by the state treasurer in accordance with subsections (2) through
16 ~~((+7+))~~ (8) of this section.

17 (a) For payment of refunds of motor vehicle fuel tax and special
18 fuel tax that has been paid and is refundable as provided by law;

19 (b) For payment of amounts to be expended pursuant to
20 appropriations for the administrative expenses of the offices of state
21 treasurer, state auditor, and the department of licensing of the state
22 of Washington in the administration of the motor vehicle fuel tax and
23 the special fuel tax, which sums shall be distributed monthly.

24 (2) All of the remaining net tax amount collected under RCW
25 82.36.025(1) and 82.38.030(1)~~(a)~~ shall be distributed as set forth in
26 (a) through (j) of this subsection.

27 (a) For distribution to the motor vehicle fund an amount equal to
28 44.387 percent to be expended for highway purposes of the state as
29 defined in RCW 46.68.130;

30 (b) For distribution to the special category C account, hereby
31 created in the motor vehicle fund, an amount equal to 3.2609 percent to
32 be expended for special category C projects. Special category C
33 projects are category C projects that, due to high cost only, will
34 require bond financing to complete construction.

35 The following criteria, listed in order of priority, shall be used

1 in determining which special category C projects have the highest
2 priority:

- 3 (i) Accident experience;
- 4 (ii) Fatal accident experience;
- 5 (iii) Capacity to move people and goods safely and at reasonable
6 speeds without undue congestion; and
- 7 (iv) Continuity of development of the highway transportation
8 network.

9 Moneys deposited in the special category C account in the motor
10 vehicle fund may be used for payment of debt service on bonds the
11 proceeds of which are used to finance special category C projects under
12 this subsection (2)(b);

13 (c) For distribution to the Puget Sound ferry operations account in
14 the motor vehicle fund an amount equal to 2.3283 percent;

15 (d) For distribution to the Puget Sound capital construction
16 account in the motor vehicle fund an amount equal to 2.3726 percent;

17 (e) For distribution to the transportation improvement account in
18 the motor vehicle fund an amount equal to 7.5597 percent;

19 (f) For distribution to the transportation improvement account in
20 the motor vehicle fund an amount equal to 5.6739 percent and expended
21 in accordance with RCW 47.26.086;

22 (g) For distribution to the cities and towns from the motor vehicle
23 fund an amount equal to 10.6961 percent in accordance with RCW
24 46.68.110;

25 (h) For distribution to the counties from the motor vehicle fund an
26 amount equal to 19.2287 percent: (i) Out of which there shall be
27 distributed from time to time, as directed by the department of
28 transportation, those sums as may be necessary to carry out the
29 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to
30 the county road administration board to implement the provisions of RCW
31 47.56.725(4), with the balance of such county share to be distributed
32 monthly as the same accrues for distribution in accordance with RCW
33 46.68.120;

34 (i) For distribution to the county arterial preservation account,
35 hereby created in the motor vehicle fund an amount equal to 1.9565
36 percent. These funds shall be distributed by the county road
37 administration board to counties in proportions corresponding to the
38 number of paved arterial lane miles in the unincorporated area of each

1 county and shall be used for improvements to sustain the structural,
2 safety, and operational integrity of county arterials. The county road
3 administration board shall adopt reasonable rules and develop policies
4 to implement this program and to assure that a pavement management
5 system is used;

6 (j) For distribution to the rural arterial trust account in the
7 motor vehicle fund an amount equal to 2.5363 percent and expended in
8 accordance with RCW 36.79.020.

9 (3) The remaining net tax amount collected under RCW 82.36.025(2)
10 and 82.38.030(~~((+2))~~) (1)(b) shall be distributed to the transportation
11 2003 account (nickel account).

12 (4) The remaining net tax amount collected under RCW 82.36.025(3)
13 and 82.38.030(~~((+3))~~) (1)(c) shall be distributed as follows:

14 (a) 8.3333 percent shall be distributed to the incorporated cities
15 and towns of the state in accordance with RCW 46.68.110;

16 (b) 8.3333 percent shall be distributed to counties of the state in
17 accordance with RCW 46.68.120; and

18 (c) The remainder shall be distributed to the transportation
19 partnership account created in RCW 46.68.290.

20 (5) The remaining net tax amount collected under RCW 82.36.025(4)
21 and 82.38.030(~~((+4))~~) (1)(d) shall be distributed as follows:

22 (a) 8.3333 percent shall be distributed to the incorporated cities
23 and towns of the state in accordance with RCW 46.68.110;

24 (b) 8.3333 percent shall be distributed to counties of the state in
25 accordance with RCW 46.68.120; and

26 (c) The remainder shall be distributed to the transportation
27 partnership account created in RCW 46.68.290.

28 (6) The remaining net tax amount collected under RCW 82.36.025 (5)
29 and (6) and 82.38.030 (~~((+5))~~) (1) (e) and (~~((+6))~~) (f) shall be
30 distributed to the transportation partnership account created in RCW
31 46.68.290.

32 (7) The remaining net tax amount collected under RCW 82.36.025 (7),
33 (8), and (9) and 82.38.030(1) (g), (h), and (i) shall be distributed to
34 the connecting Washington account created in section 106 of this act.

35 (8) Nothing in this section or in RCW 46.68.130 may be construed so
36 as to violate any terms or conditions contained in any highway
37 construction bond issues now or hereafter authorized by statute and

1 whose payment is by such statute pledged to be paid from any excise
2 taxes on motor vehicle fuel and special fuels.

3 **Sec. 105.** RCW 46.68.090 and 2013 c 225 s 645 are each amended to
4 read as follows:

5 (1) All moneys that have accrued or may accrue to the motor vehicle
6 fund from the motor vehicle fuel tax and special fuel tax must be first
7 expended for purposes enumerated in (a) and (b) of this subsection.
8 The remaining net tax amount must be distributed monthly by the state
9 treasurer in accordance with subsections (2) through ~~((+7+))~~ (8) of
10 this section.

11 (a) For payment of refunds of motor vehicle fuel tax and special
12 fuel tax that has been paid and is refundable as provided by law;

13 (b) For payment of amounts to be expended pursuant to
14 appropriations for the administrative expenses of the offices of state
15 treasurer, state auditor, and the department of licensing of the state
16 of Washington in the administration of the motor vehicle fuel tax and
17 the special fuel tax, which sums must be distributed monthly.

18 (2) All of the remaining net tax amount collected under RCW
19 82.38.030~~((+1+))~~ (2)(a) must be distributed as set forth in (a) through
20 (j) of this subsection.

21 (a) For distribution to the motor vehicle fund an amount equal to
22 44.387 percent to be expended for highway purposes of the state as
23 defined in RCW 46.68.130;

24 (b)(i) For distribution to the special category C account, hereby
25 created in the motor vehicle fund, an amount equal to 3.2609 percent to
26 be expended for special category C projects. Special category C
27 projects are category C projects that, due to high cost only, will
28 require bond financing to complete construction.

29 (ii) The following criteria, listed in order of priority, must be
30 used in determining which special category C projects have the highest
31 priority:

32 (A) Accident experience;

33 (B) Fatal accident experience;

34 (C) Capacity to move people and goods safely and at reasonable
35 speeds without undue congestion; and

36 (D) Continuity of development of the highway transportation
37 network.

1 (iii) Moneys deposited in the special category C account in the
2 motor vehicle fund may be used for payment of debt service on bonds the
3 proceeds of which are used to finance special category C projects under
4 this subsection (2)(b);

5 (c) For distribution to the Puget Sound ferry operations account in
6 the motor vehicle fund an amount equal to 2.3283 percent;

7 (d) For distribution to the Puget Sound capital construction
8 account in the motor vehicle fund an amount equal to 2.3726 percent;

9 (e) For distribution to the transportation improvement account in
10 the motor vehicle fund an amount equal to 7.5597 percent;

11 (f) For distribution to the transportation improvement account in
12 the motor vehicle fund an amount equal to 5.6739 percent and expended
13 in accordance with RCW 47.26.086;

14 (g) For distribution to the cities and towns from the motor vehicle
15 fund an amount equal to 10.6961 percent in accordance with RCW
16 46.68.110;

17 (h) For distribution to the counties from the motor vehicle fund an
18 amount equal to 19.2287 percent: (i) Out of which there must be
19 distributed from time to time, as directed by the department of
20 transportation, those sums as may be necessary to carry out the
21 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to
22 the county road administration board to implement the provisions of RCW
23 47.56.725(4), with the balance of such county share to be distributed
24 monthly as the same accrues for distribution in accordance with RCW
25 46.68.120;

26 (i) For distribution to the county arterial preservation account,
27 hereby created in the motor vehicle fund an amount equal to 1.9565
28 percent. These funds must be distributed by the county road
29 administration board to counties in proportions corresponding to the
30 number of paved arterial lane miles in the unincorporated area of each
31 county and must be used for improvements to sustain the structural,
32 safety, and operational integrity of county arterials. The county road
33 administration board must adopt reasonable rules and develop policies
34 to implement this program and to assure that a pavement management
35 system is used;

36 (j) For distribution to the rural arterial trust account in the
37 motor vehicle fund an amount equal to 2.5363 percent and expended in
38 accordance with RCW 36.79.020.

1 (3) The remaining net tax amount collected under RCW
2 82.38.030(2)(b) must be distributed to the transportation 2003 account
3 (nickel account).

4 (4) The remaining net tax amount collected under RCW
5 82.38.030((+3)) (2)(c) must be distributed as follows:

6 (a) 8.3333 percent must be distributed to the incorporated cities
7 and towns of the state in accordance with RCW 46.68.110;

8 (b) 8.3333 percent must be distributed to counties of the state in
9 accordance with RCW 46.68.120; and

10 (c) The remainder must be distributed to the transportation
11 partnership account created in RCW 46.68.290.

12 (5) The remaining net tax amount collected under RCW
13 82.38.030((+4)) (2)(d) must be distributed as follows:

14 (a) 8.3333 percent must be distributed to the incorporated cities
15 and towns of the state in accordance with RCW 46.68.110;

16 (b) 8.3333 percent must be distributed to counties of the state in
17 accordance with RCW 46.68.120; and

18 (c) The remainder must be distributed to the transportation
19 partnership account created in RCW 46.68.290.

20 (6) The remaining net tax amount collected under RCW 82.38.030
21 ((+5)) (2)(e) and ((+6)) (f) must be distributed to the
22 transportation partnership account created in RCW 46.68.290.

23 (7) The remaining net tax amount collected under RCW 82.38.030(2)
24 (g), (h), and (i) must be distributed to the connecting
25 Washington account created in section 106 of this act.

26 (8) Nothing in this section or in RCW 46.68.130 may be construed so
27 as to violate any terms or conditions contained in any highway
28 construction bond issues now or hereafter authorized by statute and
29 whose payment is by such statute pledged to be paid from any excise
30 taxes on motor vehicle fuel and special fuels.

31 NEW SECTION. Sec. 106. A new section is added to chapter 46.68
32 RCW to read as follows:

33 The connecting Washington account is created in the motor vehicle
34 fund. Moneys in the account may be spent only after appropriation.
35 Expenditures from the account must be used only for projects or
36 improvements identified as connecting Washington projects or

1 improvements in a transportation appropriations act, including any
2 principal and interest on bonds authorized for the projects or
3 improvements.

4 **Sec. 107.** RCW 43.84.092 and 2013 2nd sp.s. c 23 s 24, 2013 2nd
5 sp.s. c 11 s 15, and 2013 2nd sp.s. c 1 s 15 are each reenacted and
6 amended to read as follows:

7 (1) All earnings of investments of surplus balances in the state
8 treasury shall be deposited to the treasury income account, which
9 account is hereby established in the state treasury.

10 (2) The treasury income account shall be utilized to pay or receive
11 funds associated with federal programs as required by the federal cash
12 management improvement act of 1990. The treasury income account is
13 subject in all respects to chapter 43.88 RCW, but no appropriation is
14 required for refunds or allocations of interest earnings required by
15 the cash management improvement act. Refunds of interest to the
16 federal treasury required under the cash management improvement act
17 fall under RCW 43.88.180 and shall not require appropriation. The
18 office of financial management shall determine the amounts due to or
19 from the federal government pursuant to the cash management improvement
20 act. The office of financial management may direct transfers of funds
21 between accounts as deemed necessary to implement the provisions of the
22 cash management improvement act, and this subsection. Refunds or
23 allocations shall occur prior to the distributions of earnings set
24 forth in subsection (4) of this section.

25 (3) Except for the provisions of RCW 43.84.160, the treasury income
26 account may be utilized for the payment of purchased banking services
27 on behalf of treasury funds including, but not limited to, depository,
28 safekeeping, and disbursement functions for the state treasury and
29 affected state agencies. The treasury income account is subject in all
30 respects to chapter 43.88 RCW, but no appropriation is required for
31 payments to financial institutions. Payments shall occur prior to
32 distribution of earnings set forth in subsection (4) of this section.

33 (4) Monthly, the state treasurer shall distribute the earnings
34 credited to the treasury income account. The state treasurer shall
35 credit the general fund with all the earnings credited to the treasury
36 income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local

1 sales and use tax account, the marine resources stewardship trust
2 account, the medical aid account, the mobile home park relocation fund,
3 the motor vehicle fund, the motorcycle safety education account, the
4 multimodal transportation account, the multiuse roadway safety account,
5 the municipal criminal justice assistance account, the natural
6 resources deposit account, the oyster reserve land account, the pension
7 funding stabilization account, the perpetual surveillance and
8 maintenance account, the public employees' retirement system plan 1
9 account, the public employees' retirement system combined plan 2 and
10 plan 3 account, the public facilities construction loan revolving
11 account beginning July 1, 2004, the public health supplemental account,
12 the public works assistance account, the Puget Sound capital
13 construction account, the Puget Sound ferry operations account, the
14 real estate appraiser commission account, the recreational vehicle
15 account, the regional mobility grant program account, the resource
16 management cost account, the rural arterial trust account, the rural
17 mobility grant program account, the rural Washington loan fund, the
18 site closure account, the skilled nursing facility safety net trust
19 fund, the small city pavement and sidewalk account, the special
20 category C account, the special wildlife account, the state employees'
21 insurance account, the state employees' insurance reserve account, the
22 state investment board expense account, the state investment board
23 commingled trust fund accounts, the state patrol highway account, the
24 state route number 520 civil penalties account, the state route number
25 520 corridor account, the state wildlife account, the supplemental
26 pension account, the Tacoma Narrows toll bridge account, the teachers'
27 retirement system plan 1 account, the teachers' retirement system
28 combined plan 2 and plan 3 account, the tobacco prevention and control
29 account, the tobacco settlement account, the toll facility bond
30 retirement account, the transportation 2003 account (nickel account),
31 the transportation equipment fund, the transportation fund, the
32 transportation improvement account, the transportation improvement
33 board bond retirement account, the transportation infrastructure
34 account, the transportation partnership account, the traumatic brain
35 injury account, the tuition recovery trust fund, the University of
36 Washington bond retirement fund, the University of Washington building
37 account, the volunteer firefighters' and reserve officers' relief and
38 pension principal fund, the volunteer firefighters' and reserve

1 officers' administrative fund, the Washington judicial retirement
2 system account, the Washington law enforcement officers' and
3 firefighters' system plan 1 retirement account, the Washington law
4 enforcement officers' and firefighters' system plan 2 retirement
5 account, the Washington public safety employees' plan 2 retirement
6 account, the Washington school employees' retirement system combined
7 plan 2 and 3 account, the Washington state economic development
8 commission account, the Washington state health insurance pool account,
9 the Washington state patrol retirement account, the Washington State
10 University building account, the Washington State University bond
11 retirement fund, the water pollution control revolving administration
12 account, the water pollution control revolving fund, the Western
13 Washington University capital projects account, the Yakima integrated
14 plan implementation account, the Yakima integrated plan implementation
15 revenue recovery account, and the Yakima integrated plan implementation
16 taxable bond account. Earnings derived from investing balances of the
17 agricultural permanent fund, the normal school permanent fund, the
18 permanent common school fund, the scientific permanent fund, the state
19 university permanent fund, and the state reclamation revolving account
20 shall be allocated to their respective beneficiary accounts.

21 (b) Any state agency that has independent authority over accounts
22 or funds not statutorily required to be held in the state treasury that
23 deposits funds into a fund or account in the state treasury pursuant to
24 an agreement with the office of the state treasurer shall receive its
25 proportionate share of earnings based upon each account's or fund's
26 average daily balance for the period.

27 (5) In conformance with Article II, section 37 of the state
28 Constitution, no treasury accounts or funds shall be allocated earnings
29 without the specific affirmative directive of this section.

30 **Sec. 108.** RCW 43.84.092 and 2013 2nd sp.s. c 23 s 25, 2013 2nd
31 sp.s. c 11 s 16, and 2013 2nd sp.s. c 1 s 16 are each reenacted and
32 amended to read as follows:

33 (1) All earnings of investments of surplus balances in the state
34 treasury shall be deposited to the treasury income account, which
35 account is hereby established in the state treasury.

36 (2) The treasury income account shall be utilized to pay or receive
37 funds associated with federal programs as required by the federal cash

1 management improvement act of 1990. The treasury income account is
2 subject in all respects to chapter 43.88 RCW, but no appropriation is
3 required for refunds or allocations of interest earnings required by
4 the cash management improvement act. Refunds of interest to the
5 federal treasury required under the cash management improvement act
6 fall under RCW 43.88.180 and shall not require appropriation. The
7 office of financial management shall determine the amounts due to or
8 from the federal government pursuant to the cash management improvement
9 act. The office of financial management may direct transfers of funds
10 between accounts as deemed necessary to implement the provisions of the
11 cash management improvement act, and this subsection. Refunds or
12 allocations shall occur prior to the distributions of earnings set
13 forth in subsection (4) of this section.

14 (3) Except for the provisions of RCW 43.84.160, the treasury income
15 account may be utilized for the payment of purchased banking services
16 on behalf of treasury funds including, but not limited to, depository,
17 safekeeping, and disbursement functions for the state treasury and
18 affected state agencies. The treasury income account is subject in all
19 respects to chapter 43.88 RCW, but no appropriation is required for
20 payments to financial institutions. Payments shall occur prior to
21 distribution of earnings set forth in subsection (4) of this section.

22 (4) Monthly, the state treasurer shall distribute the earnings
23 credited to the treasury income account. The state treasurer shall
24 credit the general fund with all the earnings credited to the treasury
25 income account except:

26 (a) The following accounts and funds shall receive their
27 proportionate share of earnings based upon each account's and fund's
28 average daily balance for the period: The aeronautics account, the
29 aircraft search and rescue account, the Alaskan Way viaduct replacement
30 project account, the brownfield redevelopment trust fund account, the
31 budget stabilization account, the capital vessel replacement account,
32 the capitol building construction account, the Cedar River channel
33 construction and operation account, the Central Washington University
34 capital projects account, the charitable, educational, penal and
35 reformatory institutions account, the cleanup settlement account, the
36 Columbia river basin water supply development account, the Columbia
37 river basin taxable bond water supply development account, the Columbia
38 river basin water supply revenue recovery account, the Columbia river

1 crossing project account, the common school construction fund, the
2 connecting Washington account, the county arterial preservation
3 account, the county criminal justice assistance account, the deferred
4 compensation administrative account, the deferred compensation
5 principal account, the department of licensing services account, the
6 department of retirement systems expense account, the developmental
7 disabilities community trust account, the drinking water assistance
8 account, the drinking water assistance administrative account, the
9 drinking water assistance repayment account, the Eastern Washington
10 University capital projects account, the Interstate 405 express toll
11 lanes operations account, the education construction fund, the
12 education legacy trust account, the election account, the energy
13 freedom account, the energy recovery act account, the essential rail
14 assistance account, The Evergreen State College capital projects
15 account, the federal forest revolving account, the ferry bond
16 retirement fund, the freight mobility investment account, the freight
17 mobility multimodal account, the grade crossing protective fund, the
18 public health services account, the high capacity transportation
19 account, the state higher education construction account, the higher
20 education construction account, the highway bond retirement fund, the
21 highway infrastructure account, the highway safety fund, the high
22 occupancy toll lanes operations account, the hospital safety net
23 assessment fund, the industrial insurance premium refund account, the
24 judges' retirement account, the judicial retirement administrative
25 account, the judicial retirement principal account, the local leasehold
26 excise tax account, the local real estate excise tax account, the local
27 sales and use tax account, the marine resources stewardship trust
28 account, the medical aid account, the mobile home park relocation fund,
29 the motor vehicle fund, the motorcycle safety education account, the
30 multimodal transportation account, the multiuse roadway safety account,
31 the municipal criminal justice assistance account, the natural
32 resources deposit account, the oyster reserve land account, the pension
33 funding stabilization account, the perpetual surveillance and
34 maintenance account, the public employees' retirement system plan 1
35 account, the public employees' retirement system combined plan 2 and
36 plan 3 account, the public facilities construction loan revolving
37 account beginning July 1, 2004, the public health supplemental account,
38 the public works assistance account, the Puget Sound capital

1 construction account, the Puget Sound ferry operations account, the
2 real estate appraiser commission account, the recreational vehicle
3 account, the regional mobility grant program account, the resource
4 management cost account, the rural arterial trust account, the rural
5 mobility grant program account, the rural Washington loan fund, the
6 site closure account, the skilled nursing facility safety net trust
7 fund, the small city pavement and sidewalk account, the special
8 category C account, the special wildlife account, the state employees'
9 insurance account, the state employees' insurance reserve account, the
10 state investment board expense account, the state investment board
11 commingled trust fund accounts, the state patrol highway account, the
12 state route number 520 civil penalties account, the state route number
13 520 corridor account, the state wildlife account, the supplemental
14 pension account, the Tacoma Narrows toll bridge account, the teachers'
15 retirement system plan 1 account, the teachers' retirement system
16 combined plan 2 and plan 3 account, the tobacco prevention and control
17 account, the tobacco settlement account, the toll facility bond
18 retirement account, the transportation 2003 account (nickel account),
19 the transportation equipment fund, the transportation fund, the
20 transportation improvement account, the transportation improvement
21 board bond retirement account, the transportation infrastructure
22 account, the transportation partnership account, the traumatic brain
23 injury account, the tuition recovery trust fund, the University of
24 Washington bond retirement fund, the University of Washington building
25 account, the volunteer firefighters' and reserve officers' relief and
26 pension principal fund, the volunteer firefighters' and reserve
27 officers' administrative fund, the Washington judicial retirement
28 system account, the Washington law enforcement officers' and
29 firefighters' system plan 1 retirement account, the Washington law
30 enforcement officers' and firefighters' system plan 2 retirement
31 account, the Washington public safety employees' plan 2 retirement
32 account, the Washington school employees' retirement system combined
33 plan 2 and 3 account, the Washington state economic development
34 commission account, the Washington state health insurance pool account,
35 the Washington state patrol retirement account, the Washington State
36 University building account, the Washington State University bond
37 retirement fund, the water pollution control revolving administration
38 account, the water pollution control revolving fund, the Western

1 Washington University capital projects account, the Yakima integrated
2 plan implementation account, the Yakima integrated plan implementation
3 revenue recovery account, and the Yakima integrated plan implementation
4 taxable bond account. Earnings derived from investing balances of the
5 agricultural permanent fund, the normal school permanent fund, the
6 permanent common school fund, the scientific permanent fund, the state
7 university permanent fund, and the state reclamation revolving account
8 shall be allocated to their respective beneficiary accounts.

9 (b) Any state agency that has independent authority over accounts
10 or funds not statutorily required to be held in the state treasury that
11 deposits funds into a fund or account in the state treasury pursuant to
12 an agreement with the office of the state treasurer shall receive its
13 proportionate share of earnings based upon each account's or fund's
14 average daily balance for the period.

15 (5) In conformance with Article II, section 37 of the state
16 Constitution, no treasury accounts or funds shall be allocated earnings
17 without the specific affirmative directive of this section.

18 **Sec. 109.** RCW 46.09.520 and 2010 1st sp.s. c 37 s 936 and 2010 c
19 161 s 222 are each reenacted and amended to read as follows:

20 (1) From time to time, but at least once each year, the state
21 treasurer shall refund from the motor vehicle fund one percent of the
22 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,
23 based on a tax rate of: (a) Nineteen cents per gallon of motor vehicle
24 fuel from July 1, 2003, through June 30, 2005; (b) twenty cents per
25 gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007;
26 (c) twenty-one cents per gallon of motor vehicle fuel from July 1,
27 2007, through June 30, 2009; (d) twenty-two cents per gallon of motor
28 vehicle fuel from July 1, 2009, through June 30, 2011; ~~((and))~~ (e)
29 twenty-three cents per gallon of motor vehicle fuel beginning July 1,
30 2011; and (f) twenty-seven cents per gallon of motor vehicle fuel
31 beginning July 1, 2014, and thereafter, less proper deductions for
32 refunds and costs of collection as provided in RCW 46.68.090.

33 (2) The treasurer shall place these funds in the general fund as
34 follows:

35 (a) Thirty-six percent shall be credited to the ORV and nonhighway
36 vehicle account and administered by the department of natural resources
37 solely for acquisition, planning, development, maintenance, and

1 management of ORV, nonmotorized, and nonhighway road recreation
2 facilities, and information programs and maintenance of nonhighway
3 roads;

4 (b) Three and one-half percent shall be credited to the ORV and
5 nonhighway vehicle account and administered by the department of fish
6 and wildlife solely for the acquisition, planning, development,
7 maintenance, and management of ORV, nonmotorized, and nonhighway road
8 recreation facilities and the maintenance of nonhighway roads;

9 (c) Two percent shall be credited to the ORV and nonhighway vehicle
10 account and administered by the parks and recreation commission solely
11 for the acquisition, planning, development, maintenance, and management
12 of ORV, nonmotorized, and nonhighway road recreation facilities; and

13 (d) Fifty-eight and one-half percent shall be credited to the
14 nonhighway and off-road vehicle activities program account to be
15 administered by the board for planning, acquisition, development,
16 maintenance, and management of ORV, nonmotorized, and nonhighway road
17 recreation facilities and for education, information, and law
18 enforcement programs. The funds under this subsection shall be
19 expended in accordance with the following limitations:

20 (i) Not more than thirty percent may be expended for education,
21 information, and law enforcement programs under this chapter;

22 (ii) Not less than seventy percent may be expended for ORV,
23 nonmotorized, and nonhighway road recreation facilities. Except as
24 provided in (d)(iii) of this subsection, of this amount:

25 (A) Not less than thirty percent, together with the funds the board
26 receives under RCW 46.68.045, may be expended for ORV recreation
27 facilities;

28 (B) Not less than thirty percent may be expended for nonmotorized
29 recreation facilities. Funds expended under this subsection
30 (2)(d)(ii)(B) shall be known as Ira Spring outdoor recreation
31 facilities funds; and

32 (C) Not less than thirty percent may be expended for nonhighway
33 road recreation facilities;

34 (iii) The board may waive the minimum percentage cited in (d)(ii)
35 of this subsection due to insufficient requests for funds or projects
36 that score low in the board's project evaluation. Funds remaining
37 after such a waiver must be allocated in accordance with board policy.

1 (3) On a yearly basis an agency may not, except as provided in RCW
2 46.68.045, expend more than ten percent of the funds it receives under
3 this chapter for general administration expenses incurred in carrying
4 out this chapter.

5 (4) During the 2009-2011 fiscal biennium, the legislature may
6 appropriate such amounts as reflect the excess fund balance in the NOVA
7 account to the department of natural resources to install consistent
8 off-road vehicle signage at department-managed recreation sites, and to
9 implement the recreation opportunities on department-managed lands in
10 the Reiter block and Ahtanum state forest, and to the state parks and
11 recreation commission. The legislature finds that the appropriation of
12 funds from the NOVA account during the 2009-2011 fiscal biennium for
13 maintenance and operation of state parks or to improve accessibility
14 for boaters and off-road vehicle users at state parks will benefit
15 boaters and off-road vehicle users and others who use nonhighway and
16 nonmotorized recreational facilities. The appropriations under this
17 subsection are not required to follow the specific distribution
18 specified in subsection (2) of this section.

19 **Sec. 110.** RCW 46.09.520 and 2013 4th sp.s. c . . . s 109 (section
20 109 of this act) are each amended to read as follows:

21 (1) From time to time, but at least once each year, the state
22 treasurer must refund from the motor vehicle fund one percent of the
23 motor vehicle fuel tax revenues collected under chapter 82.38 RCW,
24 based on a tax rate of: (a) Nineteen cents per gallon of motor vehicle
25 fuel from July 1, 2003, through June 30, 2005; (b) twenty cents per
26 gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007;
27 (c) twenty-one cents per gallon of motor vehicle fuel from July 1,
28 2007, through June 30, 2009; (d) twenty-two cents per gallon of motor
29 vehicle fuel from July 1, 2009, through June 30, 2011; (e) twenty-three
30 cents per gallon of motor vehicle fuel beginning July 1, 2011; ((and))
31 (f) twenty-seven cents per gallon of motor vehicle fuel beginning July
32 1, 2014; (g) thirty-one cents per gallon of motor vehicle fuel
33 beginning July 1, 2015; and (h) thirty-four and one-half cents per
34 gallon of motor vehicle fuel beginning July 1, 2016, and thereafter,
35 less proper deductions for refunds and costs of collection as provided
36 in RCW 46.68.090.

(2) The treasurer must place these funds in the general fund as follows:

(a) Thirty-six percent must be credited to the ORV and nonhighway vehicle account and administered by the department of natural resources solely for acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities, and information programs and maintenance of nonhighway roads;

(b) Three and one-half percent must be credited to the ORV and nonhighway vehicle account and administered by the department of fish and wildlife solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and the maintenance of nonhighway roads;

(c) Two percent must be credited to the ORV and nonhighway vehicle account and administered by the parks and recreation commission solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities; and

(d) Fifty-eight and one-half percent must be credited to the nonhighway and off-road vehicle activities program account to be administered by the board for planning, acquisition, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and for education, information, and law enforcement programs. The funds under this subsection must be expended in accordance with the following limitations:

(i) Not more than thirty percent may be expended for education, information, and law enforcement programs under this chapter;

(ii) Not less than seventy percent may be expended for ORV, nonmotorized, and nonhighway road recreation facilities. Except as provided in (d)(iii) of this subsection, of this amount:

(A) Not less than thirty percent, together with the funds the board receives under RCW 46.68.045, may be expended for ORV recreation facilities;

(B) Not less than thirty percent may be expended for nonmotorized recreation facilities. Funds expended under this subsection (2)(d)(ii)(B) are known as Ira Spring outdoor recreation facilities funds; and

(C) Not less than thirty percent may be expended for nonhighway road recreation facilities;

1 (iii) The board may waive the minimum percentage cited in (d)(ii)
2 of this subsection due to insufficient requests for funds or projects
3 that score low in the board's project evaluation. Funds remaining
4 after such a waiver must be allocated in accordance with board policy.

5 (3) On a yearly basis an agency may not, except as provided in RCW
6 46.68.045, expend more than ten percent of the funds it receives under
7 this chapter for general administration expenses incurred in carrying
8 out this chapter.

9 (4) During the 2009-2011 fiscal biennium, the legislature may
10 appropriate such amounts as reflect the excess fund balance in the NOVA
11 account to the department of natural resources to install consistent
12 off-road vehicle signage at department-managed recreation sites, and to
13 implement the recreation opportunities on department-managed lands in
14 the Reiter block and Ahtanum state forest, and to the state parks and
15 recreation commission. The legislature finds that the appropriation of
16 funds from the NOVA account during the 2009-2011 fiscal biennium for
17 maintenance and operation of state parks or to improve accessibility
18 for boaters and off-road vehicle users at state parks will benefit
19 boaters and off-road vehicle users and others who use nonhighway and
20 nonmotorized recreational facilities. The appropriations under this
21 subsection are not required to follow the specific distribution
22 specified in subsection (2) of this section.

23 **Sec. 111.** RCW 46.10.530 and 2003 c 361 s 408 are each amended to
24 read as follows:

25 From time to time, but at least once each four years, the
26 department shall determine the amount of moneys paid to it as motor
27 vehicle fuel tax that is tax on snowmobile fuel. Such determination
28 shall use one hundred thirty-five gallons as the average yearly fuel
29 usage per snowmobile, the number of registered snowmobiles during the
30 calendar year under determination, and a fuel tax rate of: (1)
31 Nineteen cents per gallon of motor vehicle fuel from July 1, 2003,
32 through June 30, 2005; (2) twenty cents per gallon of motor vehicle
33 fuel from July 1, 2005, through June 30, 2007; (3) twenty-one cents per
34 gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009;
35 (4) twenty-two cents per gallon of motor vehicle fuel from July 1,
36 2009, through June 30, 2011; ~~((and))~~ (5) twenty-three cents per gallon
37 of motor vehicle fuel beginning July 1, 2011; (6) twenty-seven cents

1 per gallon of motor vehicle fuel beginning July 1, 2014; (7) thirty-one
2 cents per gallon of motor vehicle fuel beginning July 1, 2015; and (8)
3 thirty-four and one-half cents per gallon of motor vehicle fuel
4 beginning July 1, 2016, and thereafter.

5 **Sec. 112.** RCW 79A.25.070 and 2010 c 23 s 3 are each amended to
6 read as follows:

7 Upon expiration of the time limited by RCW 82.36.330 for claiming
8 of refunds of tax on marine fuel, the state of Washington shall succeed
9 to the right to such refunds. The director of licensing, after taking
10 into account past and anticipated claims for refunds from and deposits
11 to the marine fuel tax refund account, shall request the state
12 treasurer to transfer monthly from the marine fuel tax refund account
13 an amount equal to the proportion of the moneys in the account
14 representing a motor vehicle fuel tax rate of: (1) Nineteen cents per
15 gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005;
16 (2) twenty cents per gallon of motor vehicle fuel from July 1, 2005,
17 through June 30, 2007; (3) twenty-one cents per gallon of motor vehicle
18 fuel from July 1, 2007, through June 30, 2009; (4) twenty-two cents per
19 gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011;
20 ((and)) (5) twenty-three cents per gallon of motor vehicle fuel
21 beginning July 1, 2011; (6) twenty-seven cents per gallon of motor
22 vehicle fuel beginning July 1, 2014; (7) thirty-one cents per gallon of
23 motor vehicle fuel beginning July 1, 2015; and (8) thirty-four and one-
24 half cents per gallon of motor vehicle fuel beginning July 1, 2016, and
25 thereafter, to the recreation resource account and the remainder to the
26 motor vehicle fund.

27 NEW SECTION. **Sec. 113.** The following acts or parts of acts are
28 each repealed:

29 (1) RCW 82.36.029 (Deductions--Handling losses--Reports) and 1998
30 c 176 s 10; and

31 (2) RCW 82.38.083 and 2013 c 225 s 205.

32 **STATUTORY DISTRIBUTIONS**

33 **Sec. 201.** RCW 46.68.320 and 2010 c 247 s 702 are each amended to
34 read as follows:

1 (1) The regional mobility grant program account is hereby created
2 in the state treasury. Moneys in the account may be spent only after
3 appropriation. Expenditures from the account may be used only for the
4 grants provided under RCW 47.66.030.

5 (2) Beginning ~~((with))~~ September 2007, by the last day of
6 September, December, March, and June of each year, the state treasurer
7 ~~((shall))~~ must transfer from the multimodal transportation account to
8 the regional mobility grant program account five million dollars.

9 (3) Beginning ~~((with))~~ September 2015, by the last day of
10 September, December, March, and June of each year, the state treasurer
11 ~~((shall))~~ must transfer from the multimodal transportation account to
12 the regional mobility grant program account six million two hundred
13 fifty thousand dollars.

14 (4) Between September 2017 and June 2026, by the last day of
15 September, December, March, and June of each year, the state treasurer
16 must transfer from the multimodal transportation account to the
17 regional mobility grant program account seven million dollars.

18 (5) Beginning September 2026, by the last day of September,
19 December, March, and June of each year, the state treasurer must
20 transfer from the multimodal transportation account to the regional
21 mobility grant program account six million two hundred fifty thousand
22 dollars.

23 (6) During the 2009-2011 fiscal biennium, the legislature may
24 transfer from the regional mobility grant program account to the
25 multimodal transportation account such amounts as reflect the excess
26 fund balance of the regional mobility grant program account.

27 **Sec. 202.** RCW 46.68.325 and 2013 c 306 s 706 are each amended to
28 read as follows:

29 (1) The rural mobility grant program account is created in the
30 state treasury. Moneys in the account may be spent only after
31 appropriation. Expenditures from the account may be used only for the
32 grants provided under RCW 47.66.100.

33 (2) Beginning September 2011, by the last day of September,
34 December, March, and June of each year, the state treasurer ~~((shall))~~
35 must transfer from the multimodal transportation account to the rural
36 mobility grant program account two million five hundred thousand
37 dollars.

1 (3) Between September 2015 and June 2026, by the last day of
2 September, December, March, and June of each year, the state treasurer
3 must transfer from the multimodal transportation account to the rural
4 mobility grant program account three million dollars.

5 (4) Beginning September 2026, by the last day of September,
6 December, March, and June of each year, the state treasurer must
7 transfer from the multimodal transportation account to the rural
8 mobility grant program account two million five hundred thousand
9 dollars.

10 (5) During the 2011-2013 and 2013-2015 fiscal biennia, the
11 legislature may transfer from the rural mobility grant program account
12 to the multimodal transportation account such amounts as reflect the
13 excess fund balance of the rural mobility grant program account.

14 NEW SECTION. Sec. 203. A new section is added to chapter 46.68
15 RCW to read as follows:

16 (1) The special needs transportation grant account is created in
17 the multimodal transportation account. Moneys in the account may be
18 spent only after appropriation. Expenditures from the account may be
19 used only for special needs transportation grants provided by transit
20 agencies and nonprofit providers of special needs transportation.

21 (2) Between September 2015 and June 2026, by the last day of
22 September, December, March, and June of each year, the state treasurer
23 must transfer three hundred eighty-eight thousand dollars from the
24 multimodal transportation account to the special needs transportation
25 grant account.

26 (3) Funds in the special needs transportation grant account must be
27 used as follows:

28 (a) Twenty-two percent for grants to nonprofit providers of special
29 needs transportation. Grants for nonprofit providers must be based on
30 need, including the availability of other providers of service in the
31 area, efforts to coordinate trips among providers and riders, and the
32 cost effectiveness of trips provided.

33 (b) Seventy-eight percent for grants to transit agencies to
34 transport persons with special transportation needs. To receive a
35 grant, the transit agency must, to the greatest extent practicable,
36 have a maintenance of effort for special needs transportation that is
37 no less than the previous year's maintenance of effort for special

needs transportation. Grants for transit agencies must be prorated based on the amount expended for demand response service and route deviated service in the most recent calendar year as reported in the "Summary of Public Transportation" most recently published by the department of transportation. A transit agency may not receive more than thirty percent of these distributions.

NEW SECTION. **Sec. 204.** A new section is added to chapter 46.68 RCW to read as follows:

(1) The vanpool grant account is created in the multimodal transportation account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for vanpool grants as follows:

(a) Capital costs of public transit agencies to add vanpools or replace vans. Operating costs are not eligible for funding; and

(b) Incentives for employers to increase employee vanpool use. Additional employees may not be hired from the funds provided in this section for the vanpool grant.

(2) Between September 2015 and June 2026, by the last day of September, December, March, and June of each year, the state treasurer must transfer two hundred fifty thousand dollars from the multimodal transportation account to the vanpool grant account.

NEW SECTION. **Sec. 205.** A new section is added to chapter 46.68 RCW to read as follows:

(1) The complete street, pedestrian, bicycle, and safe routes to school account is created in the motor vehicle fund. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for complete street, pedestrian, bicycle, and safe routes to school projects.

(2) Between September 2015 and June 2026, by the last day of September, December, March, and June of each year, the state treasurer must transfer eight hundred fifty thousand dollars from the motor vehicle account to the complete street, pedestrian, bicycle, and safe routes to school account for safe routes to school projects.

(3) Between September 2015 and June 2026, by the last day of September, December, March, and June of each year, the state treasurer

1 must transfer one million dollars from the motor vehicle fund to the
2 complete street, pedestrian, bicycle, and safe routes to school account
3 for bicycle and pedestrian projects.

4 (4) Between September 2015 and June 2026, by the last day of
5 September, December, March, and June of each year, the state treasurer
6 must transfer two hundred fifty thousand dollars from the motor vehicle
7 fund to the complete street, pedestrian, bicycle, and safe routes to
8 school account for complete street projects.

9 **FEES**

10 **Sec. 301.** RCW 46.17.355 and 2011 c 171 s 61 are each amended to
11 read as follows:

12 (1) In lieu of the vehicle license fee required under RCW 46.17.350
13 and before accepting an application for a vehicle registration for
14 motor vehicles described in RCW 46.16A.455, the department, county
15 auditor or other agent, or subagent appointed by the director shall
16 require the applicant, unless specifically exempt, to pay the following
17 license fee by weight:

WEIGHT	SCHEDULE A	SCHEDULE B
4,000 pounds	((\$38.00)) <u>\$ 53.00</u>	((\$38.00)) <u>\$ 53.00</u>
6,000 pounds	((\$48.00)) <u>\$ 73.00</u>	((\$48.00)) <u>\$ 73.00</u>
8,000 pounds	((\$58.00)) <u>\$ 93.00</u>	((\$58.00)) <u>\$ 93.00</u>
10,000 pounds	((\$60.00)) <u>\$ 93.00</u>	((\$60.00)) <u>\$ 93.00</u>
12,000 pounds	((\$77.00)) <u>\$ 81.00</u>	((\$77.00)) <u>\$ 81.00</u>
14,000 pounds	\$ 88.00	\$ 88.00
16,000 pounds	\$ 100.00	\$ 100.00
18,000 pounds	\$ 152.00	\$ 152.00
20,000 pounds	\$ 169.00	\$ 169.00
22,000 pounds	\$ 183.00	\$ 183.00
24,000 pounds	\$ 198.00	\$ 198.00
26,000 pounds	\$ 209.00	\$ 209.00
28,000 pounds	\$ 247.00	\$ 247.00
30,000 pounds	\$ 285.00	\$ 285.00
32,000 pounds	\$ 344.00	\$ 344.00

1	34,000 pounds	\$ 366.00	\$ 366.00
2	36,000 pounds	\$ 397.00	\$ 397.00
3	38,000 pounds	\$ 436.00	\$ 436.00
4	40,000 pounds	\$ 499.00	\$ 499.00
5	42,000 pounds	\$ 519.00	\$ 609.00
6	44,000 pounds	\$ 530.00	\$ 620.00
7	46,000 pounds	\$ 570.00	\$ 660.00
8	48,000 pounds	\$ 594.00	\$ 684.00
9	50,000 pounds	\$ 645.00	\$ 735.00
10	52,000 pounds	\$ 678.00	\$ 768.00
11	54,000 pounds	\$ 732.00	\$ 822.00
12	56,000 pounds	\$ 773.00	\$ 863.00
13	58,000 pounds	\$ 804.00	\$ 894.00
14	60,000 pounds	\$ 857.00	\$ 947.00
15	62,000 pounds	\$ 919.00	\$ 1,009.00
16	64,000 pounds	\$ 939.00	\$ 1,029.00
17	66,000 pounds	\$ 1,046.00	\$ 1,136.00
18	68,000 pounds	\$ 1,091.00	\$ 1,181.00
19	70,000 pounds	\$ 1,175.00	\$ 1,265.00
20	72,000 pounds	\$ 1,257.00	\$ 1,347.00
21	74,000 pounds	\$ 1,366.00	\$ 1,456.00
22	76,000 pounds	\$ 1,476.00	\$ 1,566.00
23	78,000 pounds	\$ 1,612.00	\$ 1,702.00
24	80,000 pounds	\$ 1,740.00	\$ 1,830.00
25	82,000 pounds	\$ 1,861.00	\$ 1,951.00
26	84,000 pounds	\$ 1,981.00	\$ 2,071.00
27	86,000 pounds	\$ 2,102.00	\$ 2,192.00
28	88,000 pounds	\$ 2,223.00	\$ 2,313.00
29	90,000 pounds	\$ 2,344.00	\$ 2,434.00
30	92,000 pounds	\$ 2,464.00	\$ 2,554.00
31	94,000 pounds	\$ 2,585.00	\$ 2,675.00
32	96,000 pounds	\$ 2,706.00	\$ 2,796.00
33	98,000 pounds	\$ 2,827.00	\$ 2,917.00
34	100,000 pounds	\$ 2,947.00	\$ 3,037.00
35	102,000 pounds	\$ 3,068.00	\$ 3,158.00
36	104,000 pounds	\$ 3,189.00	\$ 3,279.00
37	105,500 pounds	\$ 3,310.00	\$ 3,400.00

(2) Schedule A applies to vehicles either used exclusively for hauling logs or that do not tow trailers. Schedule B applies to vehicles that tow trailers and are not covered under Schedule A.

(3) If the resultant gross weight is not listed in the table provided in subsection (1) of this section, it must be increased to the next higher weight.

(4) The license fees provided in subsection (1) of this section and the freight project fee provided in subsection (6) of this section are in addition to the filing fee required under RCW 46.17.005 and any other fee or tax required by law.

(5) The license fee based on declared gross weight as provided in subsection (1) of this section must be distributed under RCW 46.68.035.

(6) In addition to the license fee based on declared gross weight as provided in subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by the director must require an applicant with a vehicle with a declared gross weight of more than 10,000 pounds, unless specifically exempt, to pay a freight project fee equal to fifteen percent of the license fee provided in subsection (1) of this section, rounded to the nearest whole dollar, which must be distributed under RCW 46.68.035.

Sec. 302. RCW 46.17.365 and 2010 c 161 s 533 are each amended to read as follows:

(1) A person applying for a motor vehicle registration and paying the vehicle license fee required in RCW 46.17.350(1) (a), (d), (e), (h), (j), (n), and (o) shall pay a motor vehicle weight fee in addition to all other fees and taxes required by law. The motor vehicle weight fee:

(a) Must be based on the motor vehicle scale weight as follows:

<u>WEIGHT</u>	<u>FEE</u>
<u>4,000 pounds</u>	<u>\$25.00</u>
<u>6,000 pounds</u>	<u>\$45.00</u>
<u>8,000 pounds to 14,000 pounds</u>	<u>\$65.00</u>
<u>16,000 pounds and over</u>	<u>\$72.00;</u>

(b) ~~((Is the difference determined by subtracting the vehicle license fee required in RCW 46.17.350 from the license fee in Schedule B of RCW 46.17.355, plus two dollars))~~ If the resultant motor vehicle scale weight is not listed in the table provided in (a) of this subsection, must be increased to the next highest weight; and

(c) Must be distributed under RCW 46.68.415.

(2) A person applying for a motor home vehicle registration shall, in lieu of the motor vehicle weight fee required in subsection (1) of this section, pay a motor home vehicle weight fee of seventy-five dollars in addition to all other fees and taxes required by law. The motor home vehicle weight fee must be distributed under RCW 46.68.415.

(3) The department shall:

(a) Rely on motor vehicle empty scale weights provided by vehicle manufacturers, or other sources defined by the department, to determine the weight of each motor vehicle; and

(b) Adopt rules for determining weight for vehicles without manufacturer empty scale weights.

NEW SECTION. **Sec. 303.** Sections 301 and 302 of this act apply to vehicle registrations that are due or become due on or after November 1, 2014.

Sec. 304. RCW 46.17.323 and 2012 c 74 s 10 are each amended to read as follows:

(1) Before accepting an application for an annual vehicle registration renewal for ~~((an electric))~~ a vehicle that uses ((propulsion units powered solely by)) at least one method of propulsion that is capable of being reenergized by an external source of electricity, the department, county auditor or other agent, or subagent appointed by the director must require the applicant to pay a one hundred dollar fee in addition to any other fees and taxes required by law. The one hundred dollar fee is due only at the time of annual registration renewal.

(2) This section only applies to:

(a) A vehicle that is designed to have the capability to drive at a speed of more than thirty-five miles per hour; and

(b) An annual vehicle registration renewal that is due on or after February 1, 2013.

(3)(a) The fee under this section is imposed to provide funds to mitigate the impact of vehicles on state roads and highways and for the purpose of evaluating the feasibility of transitioning from a revenue collection system based on fuel taxes to a road user assessment system, and is separate and distinct from other vehicle license fees. Proceeds from the fee must be ~~((used for highway purposes, and))~~ deposited into the transportation innovative partnership account created in RCW 47.29.230 for the purpose of creating and funding the Washington electric vehicle infrastructure bank as provided in section 501 of this act. Once the total number of electric vehicles subject to this fee has reached one-half of one percent of the state's total registered vehicle fleet, proceeds must be deposited in the motor vehicle fund created in RCW 46.68.070 ~~((, subject to))~~ and distributed in the manner provided in (b) of this subsection.

(b) ~~((If in any year the amount of proceeds from the fee collected under this section exceeds one million dollars, the excess amount over one million dollars must be deposited))~~ Any fee proceeds eligible for deposit in the motor vehicle fund must be distributed as follows:

(i) Seventy percent to the motor vehicle fund created in RCW 46.68.070;

(ii) Fifteen percent to the transportation improvement account created in RCW 47.26.084; and

(iii) Fifteen percent to the rural arterial trust account created in RCW 36.79.020.

LOCAL REVENUE OPTIONS

Sec. 401. RCW 36.73.015 and 2012 c 152 s 1 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "City" means a city or town.

(2) "District" means a transportation benefit district created under this chapter.

(3) "Low-income" means household income that is at or below forty-five percent of the median household income, adjusted for household size, for the district in which the fees, taxes, or tolls were imposed.

1 (4) "Rebate program" means an optional program established by a
2 transportation benefit district that includes a city with a population
3 of five hundred thousand persons or more for the purpose of providing
4 rebates to low-income individuals for fees, taxes, and/or tolls imposed
5 by such transportation benefit district for: (a) Vehicle fees imposed
6 under RCW 36.73.040(3)(b); (b) sales and use taxes imposed under RCW
7 36.73.040(3)(a); and/or (c) tolls imposed under RCW 36.73.040(3)(d).

8 (5) "Supplemental transportation improvement" or "supplemental
9 improvement" means any project, work, or undertaking to provide public
10 transportation service, in addition to a district's existing or planned
11 voter-approved transportation improvements, proposed by a participating
12 city member of the district under RCW 36.73.180.

13 (6) "Transportation improvement" means a project contained in the
14 transportation plan of the state, a regional transportation planning
15 organization, city, county, or eligible jurisdiction as identified in
16 RCW 36.73.020(2). A project may include, but is not limited to,
17 investment in new or existing highways of statewide significance,
18 principal arterials of regional significance, high capacity
19 transportation, public transportation, and other transportation
20 projects and programs of local, regional, or statewide significance
21 including transportation demand management. Projects may also include
22 the operation, preservation, and maintenance of these facilities or
23 programs.

24 **Sec. 402.** RCW 36.73.020 and 2010 c 250 s 1 are each amended to
25 read as follows:

26 (1) The legislative authority of a county or city may establish a
27 transportation benefit district within the county or city area or
28 within the area specified in subsection (2) of this section, for the
29 purpose of acquiring, constructing, improving, providing, and funding
30 a transportation improvement within the district that is consistent
31 with any existing state, regional, or local transportation plans and
32 necessitated by existing or reasonably foreseeable congestion levels.
33 The transportation improvements shall be owned by the county of
34 jurisdiction if located in an unincorporated area, by the city of
35 jurisdiction if located in an incorporated area, or by the state in
36 cases where the transportation improvement is or becomes a state
37 highway. However, if deemed appropriate by the governing body of the

1 transportation benefit district, a transportation improvement may be
2 owned by a participating port district or transit district, unless
3 otherwise prohibited by law. Transportation improvements shall be
4 administered and maintained as other public streets, roads, highways,
5 and transportation improvements. To the extent practicable, the
6 district shall consider the following criteria when selecting
7 transportation improvements:

8 (a) Reduced risk of transportation facility failure and improved
9 safety;

10 (b) Improved travel time;

11 (c) Improved air quality;

12 (d) Increases in daily and peak period trip capacity;

13 (e) Improved modal connectivity;

14 (f) Improved freight mobility;

15 (g) Cost-effectiveness of the investment;

16 (h) Optimal performance of the system through time;

17 (i) Improved accessibility for, or other benefits to, persons with
18 special transportation needs as defined in RCW 47.06B.012; and

19 (j) Other criteria, as adopted by the governing body.

20 (2) Subject to subsection (6) of this section, the district may
21 include area within more than one county, city, port district, county
22 transportation authority, reservation of a federally recognized tribe,
23 or public transportation benefit area, if the legislative authority of
24 each participating jurisdiction has agreed to the inclusion as provided
25 in an interlocal agreement adopted pursuant to chapter 39.34 RCW.
26 However, the boundaries of the district need not include all territory
27 within the boundaries of the participating jurisdictions comprising the
28 district.

29 (3) The members of the legislative authority proposing to establish
30 the district, acting ex officio and independently, shall constitute the
31 governing body of the district: PROVIDED, That where a district
32 includes area within more than one jurisdiction under subsection (2) of
33 this section, the district shall be governed under an interlocal
34 agreement adopted pursuant to chapter 39.34 RCW, with the governing
35 body being composed of (a) at least five members including at least one
36 elected official from the legislative authority of each participating
37 jurisdiction or (b) the governing body of the metropolitan planning

1 organization serving the district, but only if the district boundaries
2 are identical to the boundaries of the metropolitan planning
3 organization serving the district.

4 (4) The treasurer of the jurisdiction proposing to establish the
5 district shall act as the ex officio treasurer of the district, unless
6 an interlocal agreement states otherwise.

7 (5) The electors of the district shall all be registered voters
8 residing within the district.

9 (6) Prior to December 1, 2007, the authority under this section,
10 regarding the establishment of or the participation in a district,
11 shall not apply to:

12 (a) Counties with a population greater than one million five
13 hundred thousand persons and any adjoining counties with a population
14 greater than five hundred thousand persons;

15 (b) Cities with any area within the counties under (a) of this
16 subsection; and

17 (c) Other jurisdictions with any area within the counties under (a)
18 of this subsection.

19 **Sec. 403.** RCW 36.73.065 and 2012 c 152 s 3 are each amended to
20 read as follows:

21 (1) Except as provided in subsection (4) of this section, taxes,
22 fees, charges, and tolls may not be imposed by a district without
23 approval of a majority of the voters in the district voting on a
24 proposition at a general or special election. The proposition must
25 include a specific description of: (a) The transportation improvement
26 or improvements proposed by the district; (b) any rebate program
27 proposed to be established under RCW 36.73.067; and (c) the proposed
28 taxes, fees, charges, and the range of tolls imposed by the district to
29 raise revenue to fund the improvement or improvements or rebate
30 program, as applicable.

31 (2) Voter approval under this section must be accorded substantial
32 weight regarding the validity of a transportation improvement as
33 defined in RCW 36.73.015.

34 (3) A district may not increase any taxes, fees, charges, or range
35 of tolls imposed or change a rebate program under this chapter once the
36 taxes, fees, charges, tolls, or rebate program takes effect, ~~((unless))~~
37 except:

1 (a) If authorized by the district voters pursuant to RCW 36.73.160;
2 or

3 (b) For up to forty dollars of the vehicle fee authorized in RCW
4 82.80.140 by the governing board of the district if a vehicle fee of
5 twenty dollars has been imposed for at least twenty-four months.

6 (4)(a) A district that includes all the territory within the
7 boundaries of the jurisdiction, or jurisdictions, establishing the
8 district, but not including territory in which a fee is currently being
9 collected under RCW 82.80.140, may impose by a majority vote of the
10 governing board of the district the following fees and charges:

11 (i) Up to twenty dollars of the vehicle fee authorized in RCW
12 82.80.140; ~~((or))~~

13 (ii) Up to forty dollars of the vehicle fee authorized in RCW
14 82.80.140 if a vehicle fee of twenty dollars has been imposed for at
15 least twenty-four months; or

16 (iii) A fee or charge in accordance with RCW 36.73.120.

17 (b) The vehicle fee authorized in (a) of this subsection may only
18 be imposed for a passenger-only ferry transportation improvement if the
19 vehicle fee is first approved by a majority of the voters within the
20 jurisdiction of the district.

21 (c)(i) A district solely comprised of a city or cities ~~((shall))~~
22 may not impose the fees or charges identified in (a) of this subsection
23 within one hundred eighty days after July 22, 2007, unless the county
24 in which the city or cities reside, by resolution, declares that it
25 will not impose the fees or charges identified in (a) of this
26 subsection within the one hundred eighty-day period; or

27 (ii) A district solely comprised of a city or cities identified in
28 RCW 36.73.020(6)(b) may not impose the fees or charges until after May
29 22, 2008, unless the county in which the city or cities reside, by
30 resolution, declares that it will not impose the fees or charges
31 identified in (a) of this subsection through May 22, 2008.

32 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be
33 reached, a district that includes only the unincorporated territory of
34 a county may impose by a majority vote of the governing body of the
35 district up to: (a) Twenty dollars of the vehicle fee authorized in
36 RCW 82.80.140; or (b) forty dollars of the vehicle fee authorized in
37 RCW 82.80.140 if a fee of twenty dollars has been imposed for at least
38 twenty-four months.

1 NEW SECTION. **Sec. 404.** A new section is added to chapter 82.80
2 RCW to read as follows:

3 (1) A county with a population of one million or more may impose,
4 by approval of a majority of the registered voters of the county voting
5 on the proposition at a general or special election, a local motor
6 vehicle excise tax of up to one and one-half percent annually on the
7 value of every motor vehicle registered to a person residing within the
8 county based on a guidebook as determined by the department. A motor
9 vehicle excise tax may not be imposed on vehicles licensed under RCW
10 46.17.355, except for motor vehicles with an unladen weight of six
11 thousand pounds or less, RCW 46.16A.425, 46.17.335, or 46.17.350(1)(c).

12 (2) A county imposing a tax under this section must contract,
13 before the effective date of the resolution or ordinance imposing the
14 local motor vehicle excise tax, administration and collection to the
15 department of licensing, as appropriate, which must deduct an amount,
16 as provided by contract, for administration and collection expenses
17 incurred by the department.

18 (3) If the department of licensing determines a value for a vehicle
19 pursuant to subsection (1) of this section, any person who pays a
20 locally imposed motor vehicle excise tax for that vehicle may appeal
21 the valuation to the department of licensing under chapter 34.05 RCW.
22 If the taxpayer is successful on appeal, the department must refund the
23 excess tax.

24 (4) The tax imposed under this section applies only when renewing
25 a vehicle registration, and is effective upon the registration renewal
26 date as provided by the department of licensing.

27 (5)(a) A county imposing a tax under this section must use sixty
28 percent of the net funds, after any deductions pursuant to subsection
29 (2) of this section, for the operation, maintenance, or capital needs
30 of public transportation systems.

31 (b) The remaining forty percent of the net funds, after any
32 deductions pursuant to subsection (2) of this section, must be used for
33 the operations and maintenance of local roads and must be distributed
34 on a pro rata basis to the county imposing the local motor vehicle
35 excise tax and to incorporated cities and towns within the county based
36 upon the population of the unincorporated portion of the county, the
37 population of an incorporated city, or the population of an

1 incorporated town as a percentage of the total population of the
2 county.

3 (6) For purposes of this section, the population of an incorporated
4 city or town is the most recent population determined by the office of
5 financial management.

6 **Sec. 405.** RCW 82.80.055 and 2011 c 373 s 2 are each amended to
7 read as follows:

8 (1)(a) Except as provided in subsection (2) of this section, the
9 governing body of a county that has assumed the rights, powers,
10 functions, and obligations of a metropolitan municipal corporation
11 under chapter 36.56 RCW and is operating a public transportation system
12 may impose, if approved by a majority of the voters within that county
13 or a two-thirds majority of the governing body, an annual congestion
14 reduction charge of up to twenty dollars per vehicle registered in the
15 boundaries of the county for each vehicle subject to vehicle license
16 fees under RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), (n),
17 (o), (p), or (q) and for each vehicle subject to gross weight license
18 fees under RCW 46.17.355 with an unladen weight of six thousand pounds
19 or less.

20 (b) Prior to the imposition of a congestion reduction charge
21 authorized under (a) of this subsection, a governing body must complete
22 a congestion reduction plan indicating the proposed expenditures of the
23 proceeds of the congestion reduction charge.

24 (c) If a governing body that imposes a congestion reduction charge
25 authorized under (a) of this subsection completed a regional transit
26 task force evaluating system improvements and efficiencies within two
27 years prior to the imposition of the charge, the proceeds from the
28 charge collected until June 30, 2014, must be expended in a manner
29 consistent with the recommendations of the regional transit task force.
30 Proceeds from a congestion reduction charge collected after June 30,
31 2014, must be expended as follows: Fifty percent for transit
32 operations; and fifty percent for improvements, preservation, and
33 operations of local highways.

34 (d) A governing body that imposes a congestion reduction charge
35 authorized under (a) of this subsection must complete a report by July
36 1, 2012, detailing the expenditures of the proceeds of the congestion
37 reduction charge through June 1, 2012.

1 (e) A governing body that imposes a congestion reduction charge
2 authorized under (a) of this subsection must complete a report by June
3 1, 2014, detailing the expenditures of the proceeds of the congestion
4 reduction charge.

5 (2) The governing body of a county that has assumed the rights,
6 powers, functions, and obligations of a metropolitan municipal
7 corporation under chapter 36.56 RCW and is operating a public
8 transportation system may not impose a congestion reduction charge
9 authorized under subsection (1)(a) of this section for a passenger-only
10 ferry transportation improvement, unless the charge is first approved
11 by a majority of the voters within that county.

12 (3) The governing body of a county that has assumed the rights,
13 powers, functions, and obligations of a metropolitan municipal
14 corporation under chapter 36.56 RCW and is operating a public
15 transportation system shall contract with the department of licensing
16 as provided under RCW 46.68.470 for the collection of the congestion
17 reduction charge.

18 (4) A congestion reduction charge imposed under this section may
19 not be assessed until six months after approval.

20 (5) A congestion reduction charge imposed under this section
21 applies only for vehicle registration renewals and is effective upon
22 the registration renewal date as provided by the department of
23 licensing.

24 (6) The following vehicles are exempt from the congestion reduction
25 charge imposed under this section:

26 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and
27 46.04.181;

28 (b) Off-road vehicles as defined in RCW 46.04.365;

29 (c) Nonhighway vehicles as defined in RCW 46.09.310;

30 (d) Vehicles registered under chapter 46.87 RCW and the
31 international registration plan; and

32 (e) Snowmobiles as defined in RCW 46.04.546.

33 (7) The authority to impose a congestion reduction charge
34 authorized in subsection (1)(a) of this section expires with vehicle
35 registrations that expire ~~((two))~~ six years after the imposition of the
36 charge or no later than June 30, ~~((2014))~~ 2018, whichever comes first.

37 ~~((A congestion reduction charge authorized under subsection~~
38 ~~(1)(a) of this section may only be imposed after June 30, 2014, if~~

~~approved by a majority of the voters within a county that has assumed the rights, powers, functions, and obligations of a metropolitan municipal corporation under chapter 36.56 RCW and is operating a public transportation system.~~

(9)) This section expires December 31, ((2014)) 2018.

Sec. 406. RCW 82.14.045 and 2008 c 86 s 102 are each amended to read as follows:

(1) The legislative body of any city pursuant to RCW 35.92.060, of any county which has created an unincorporated transportation benefit area pursuant to RCW 36.57.100 and 36.57.110, of any public transportation benefit area pursuant to RCW 36.57A.080 and 36.57A.090, of any county transportation authority established pursuant to chapter 36.57 RCW, and of any metropolitan municipal corporation within a county with a population of one million or more pursuant to chapter 35.58 RCW, may, by resolution or ordinance for the sole purpose of providing funds for the operation, maintenance, or capital needs of public transportation systems or public transportation limited to persons with special needs under RCW 36.57.130 and 36.57A.180, and in lieu of the excise taxes authorized by RCW 35.95.040, submit an authorizing proposition to the voters or include such authorization in a proposition to perform the function of public transportation or public transportation limited to persons with special needs under RCW 36.57.130 and 36.57A.180, and if approved by a majority of persons voting thereon, impose a sales and use tax in accordance with the terms of this chapter. Where an authorizing proposition is submitted by a county on behalf of an unincorporated transportation benefit area, it shall be voted upon by the voters residing within the boundaries of such unincorporated transportation benefit area and, if approved, the sales and use tax shall be imposed only within such area. Notwithstanding any provisions of this section to the contrary, any county in which a county public transportation plan has been adopted pursuant to RCW 36.57.070 and the voters of such county have authorized the imposition of a sales and use tax pursuant to the provisions of section 10, chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975, shall be authorized to fix and impose a sales and use tax as provided in this section at not to exceed the rate so authorized without

1 additional approval of the voters of such county as otherwise required
2 by this section.

3 The tax authorized by this section shall be in addition to the tax
4 authorized by RCW 82.14.030 and shall be collected from those persons
5 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
6 the occurrence of any taxable event within such city, public
7 transportation benefit area, county, or metropolitan municipal
8 corporation as the case may be. The rate of such tax shall be one-
9 tenth, two-tenths, three-tenths, four-tenths, five-tenths, six-tenths,
10 seven-tenths, eight-tenths, or nine-tenths of one percent of the
11 selling price (in the case of a sales tax) or value of the article used
12 (in the case of a use tax). The rate of such tax shall not exceed the
13 rate authorized by the voters unless such increase shall be similarly
14 approved.

15 (2)(a) In the event a metropolitan municipal corporation imposes a
16 sales and use tax pursuant to this chapter no city, county which has
17 created an unincorporated transportation benefit area, public
18 transportation benefit area authority, or county transportation
19 authority wholly within such metropolitan municipal corporation shall
20 be empowered to impose and/or collect taxes under RCW 35.95.040 or this
21 section, but nothing herein shall prevent such city or county from
22 imposing sales and use taxes pursuant to any other authorization.

23 (b) In the event a county transportation authority imposes a sales
24 and use tax under this section, no city, county which has created an
25 unincorporated transportation benefit area, public transportation
26 benefit area, or metropolitan municipal corporation, located within the
27 territory of the authority, shall be empowered to impose or collect
28 taxes under RCW 35.95.040 or this section.

29 (c) In the event a public transportation benefit area imposes a
30 sales and use tax under this section, no city, county which has created
31 an unincorporated transportation benefit area, or metropolitan
32 municipal corporation, located wholly or partly within the territory of
33 the public transportation benefit area, shall be empowered to impose or
34 collect taxes under RCW 35.95.040 or this section.

35 (3) The legislative body of a public transportation benefit area
36 located in a county with a population of seven hundred thousand or more
37 that also contains a city with a population of seventy-five thousand or
38 more operating a transit system pursuant to chapter 35.95 RCW may

1 submit an authorizing proposition to the voters and, if approved by a
2 majority of persons voting on the proposition, impose a sales and use
3 tax in accordance with the terms of this chapter of one-tenth, two-
4 tenths, or three-tenths of one percent of the selling price, in the
5 case of a sales tax, or value of the article used, in the case of a use
6 tax, in addition to the rate in subsection (1) of this section.

7 **Sec. 407.** RCW 82.80.140 and 2010 c 161 s 917 are each amended to
8 read as follows:

9 (1) Subject to the provisions of RCW 36.73.065, a transportation
10 benefit district under chapter 36.73 RCW may fix and impose an annual
11 vehicle fee, not to exceed one hundred dollars per vehicle registered
12 in the district, for each vehicle subject to vehicle license fees under
13 RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), or (n) through (q)
14 and for each vehicle subject to gross weight license fees under RCW
15 46.17.355 with a scale weight of six thousand pounds or less.

16 (2)(a) A district that includes all the territory within the
17 boundaries of the jurisdiction, or jurisdictions, establishing the
18 district, but not including territory in which a fee is currently being
19 collected under this section, may impose by a majority vote of the
20 governing board of the district up to twenty dollars of the vehicle fee
21 authorized in subsection (1) of this section or up to forty dollars of
22 the vehicle fee authorized in subsection (1) of this section if a
23 twenty dollar vehicle fee has been imposed for at least twenty-four
24 months.

25 (i) If the district is countywide, the revenues of the fee
26 ((shall)) must be distributed to each city within the ((county))
27 district by interlocal agreement that must be effective prior to
28 imposition of the fee. The interlocal agreement is effective when
29 approved by the ((county)) district and sixty percent of the cities
30 representing seventy-five percent of the population of the cities
31 within the ((county)) district in which the countywide fee is
32 collected.

33 (ii) If the district is less than countywide, the revenues of the
34 fee must be distributed to each city within the district by interlocal
35 agreement that must be effective prior to imposition of the fee.

36 (b) A district may not impose a fee under this subsection (2):

1 (i) For a passenger-only ferry transportation improvement unless
2 the vehicle fee is first approved by a majority of the voters within
3 the jurisdiction of the district; or

4 (ii) That, if combined with the fees previously imposed by another
5 district within its boundaries under RCW 36.73.065(4)(a)(i), exceeds
6 (~~twenty~~) forty dollars.

7 If a district imposes or increases a fee under this subsection (2)
8 that, if combined with the fees previously imposed by another district
9 within its boundaries, exceeds (~~twenty~~) forty dollars, the district
10 shall provide a credit for the previously imposed fees so that the
11 combined vehicle fee does not exceed (~~twenty~~) forty dollars.

12 (3) The department of licensing shall administer and collect the
13 fee. The department shall deduct a percentage amount, as provided by
14 contract, not to exceed one percent of the fees collected, for
15 administration and collection expenses incurred by it. The department
16 shall remit remaining proceeds to the custody of the state treasurer.
17 The state treasurer shall distribute the proceeds to the district on a
18 monthly basis.

19 (4) No fee under this section may be collected until six months
20 after approval under RCW 36.73.065.

21 (5) The vehicle fee under this section applies only when renewing
22 a vehicle registration, and is effective upon the registration renewal
23 date as provided by the department of licensing.

24 (6) The following vehicles are exempt from the fee under this
25 section:

26 (a) Campers, as defined in RCW 46.04.085;

27 (b) Farm tractors or farm vehicles, as defined in RCW 46.04.180 and
28 46.04.181;

29 (c) Mopeds, as defined in RCW 46.04.304;

30 (d) Off-road and nonhighway vehicles, as defined in RCW 46.04.365;

31 (e) Private use single-axle trailer, as defined in RCW 46.04.422;

32 (f) Snowmobiles, as defined in RCW 46.04.546; and

33 (g) Vehicles registered under chapter 46.87 RCW and the
34 international registration plan.

35 **MISCELLANEOUS**

1 NEW SECTION. **Sec. 501.** A new section is added to chapter 47.29
2 RCW to read as follows:

3 (1) A Washington electric vehicle infrastructure bank is hereby
4 established. The Washington electric vehicle infrastructure bank shall
5 provide financial assistance for the installation of publicly
6 accessible electric vehicle charging stations within the state.

7 (2) Electric vehicle infrastructure receiving financial assistance
8 must include both DC fast-charging stations and level 1 or 2 electric
9 vehicle supply equipment. The department must confer with the
10 Washington department of commerce, and seek input from experts
11 representing local government, public utilities, electric vehicle
12 manufacturer representatives, and current Washington state electric
13 vehicle drivers to review information and advise the department on
14 policies and priorities for deployment of public charging station
15 locations.

16 (3) The department's public-private partnerships office must
17 administer all funds dispersed and received, including any funds
18 received under RCW 46.17.323 and deposited into the transportation
19 innovative partnership account created under RCW 47.29.230. Prior to
20 providing any financial assistance for electric vehicle infrastructure
21 projects, the department must submit a business plan to the house of
22 representatives and senate transportation committees of the legislature
23 and to the governor's office.

24 (4) Annual progress reports must be transmitted to the legislature
25 and governor as of December 1st of each year.

26 (5) This section expires July 1, 2026.

27 **Sec. 502.** RCW 81.77.170 and 1989 c 431 s 36 are each amended to
28 read as follows:

29 For rate-making purposes, a fee, charge, or tax on the collection
30 or disposal of solid waste ((shall be)) is considered a normal
31 operating expense of the solid waste collection company, including all
32 taxes and fees imposed or increased under this act. Filing for pass-
33 through of any such fee, charge, or tax is not considered a general
34 rate proceeding.

35 NEW SECTION. **Sec. 503.** If any provision of this act or its

1 application to any person or circumstance is held invalid, the
2 remainder of the act or the application of the provision to other
3 persons or circumstances is not affected.

4 NEW SECTION. **Sec. 504.** Sections 105 and 110 of this act take
5 effect July 1, 2015, if the conditions in section 509 of this act are
6 met.

7 NEW SECTION. **Sec. 505.** Section 107 of this act expires on the
8 date the requirements set out in section 7, chapter 36, Laws of 2012
9 are met, if the conditions in section 509 of this act are met.

10 NEW SECTION. **Sec. 506.** Section 108 of this act takes effect on
11 the date the requirements set out in section 7, chapter 36, Laws of
12 2012 are met, if the conditions in section 509 of this act are met.

13 NEW SECTION. **Sec. 507.** Sections 101, 104, and 109 of this act
14 expire July 1, 2015, if the conditions in section 509 of this act are
15 met.

16 NEW SECTION. **Sec. 508.** Section 304 of this act expires on the
17 effective date of legislation enacted by the legislature that imposes
18 a vehicle miles traveled fee or tax, if the conditions in section 509
19 of this act are met.

20 NEW SECTION. **Sec. 509.** This act takes effect if chapter . . .
21 (Senate Bill No.. . . (S-3110/14)) (ferry capital program reforms),
22 Laws of 2013 4th sp. sess., chapter . . . (Senate Bill No.. . . (S-
23 3113/14)) (storm water permit compliance activities), Laws of 2013 4th
24 sp. sess., chapter . . . (Senate Bill No.. . . (S-3114/14)) (labor
25 reforms), Laws of 2013 4th sp. sess., chapter . . . (Senate Bill No.
26 . . . (S-3119/14)) (environmental permitting), Laws of 2013 4th sp.
27 sess., chapter . . . (Senate Bill No.. . . (S-3202/14)) (omnibus
28 reforms), Laws of 2013 4th sp. sess., chapter . . . (Senate Bill No.
29 . . . (S-3209/14)) (project delivery), Laws of 2013 4th sp. sess.,
30 chapter . . . (Senate Bill No.. . . (S-3210/14)) (sales tax on
31 transportation construction), Laws of 2013 4th sp. sess., and chapter

1 . . . (Senate Bill No.. . . (S-3214/14)) (adding congestion relief to
2 transportation goals), Laws of 2013 4th sp. sess. are enacted by June
3 30, 2014.

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